

July 28, 2020

**VIA OVERNIGHT MAIL**

Potomac Construction 1525 P Street LLC  
c/o Potomac Construction Group  
1734 20th Street, N.W.,  
Washington, D.C. 20009  
Attn: Matthew Shkor

RE: \$3,161,000.00 loan (the “**Loan**”) made by Capital Bank, N.A. (the “**Lender**”) to Potomac Construction 1525 P Street LLC (the “**Borrower**”) on December 4, 2018.

Dear Borrower:

This firm represents Lender in connection with the Loan and the Loan Documents (hereinafter defined). Reference is made to the following:

1. Deed of Trust Note dated as of December 4, 2018 from Borrower payable to the order of Lender.
2. Loan Agreement dated as of December 4, 2018 by and between Borrower and Lender.
3. Credit Line Deed of Trust, Security Agreement and Fixture Filing dated as of December 4, 2018 from Borrower to certain trustees named therein for the benefit of Lender.
4. Assignment of Leases and Rents dated as of December 4, 2018 from Borrower in favor of Lender.
5. Guaranty of Payment, Performance and Completion (the “**Guaranty**”) dated as of December 4, 2018 from Matthew Shkor (the “**Guarantor**”) in favor of Lender.
6. Environmental Indemnity Agreement dated as of December 4, 2018 from Guarantor and Borrower in favor of Lender.
7. Assignment of Sales Contracts and Security Deposits dated as of December 4, 2018 by the Borrower in favor of Lender.
8. Assignment of Agreements, Plans and Permits dated as of December 4, 2018 by the Borrower in favor of Lender.

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9. Assignment of Declarant Rights dated as of December 4, 2018 by the Borrower in favor of Lender.

10. Note Modification Agreement dated as of September 4, 2019 entered into by and between Borrower and Lender.

11. Loan Modification Agreement dated as of December 2019 entered into by and among Borrower, Guarantor, and Lender.

12. Third Loan Modification Agreement dated as of May 29, 2020 entered into by and among Borrower, Guarantor, and Lender.

The documents listed in paragraphs 1 through 12 above and any and all other documents evidencing, securing or pertaining to the Loan evidenced by the Note, as the same may have been or may hereafter be modified, amended or supplemented from time to time, are sometimes collectively referred to herein as the “**Loan Documents**”.

The Note matured on July 4, 2020 (the “**Maturity Date**”), and all amounts payable under the Note and the other Loan Documents (collectively, the “**Indebtedness**”) became due and payable. We have been advised by Lender that the amount due and owing pursuant to the Loan Documents has not been paid.

Pursuant to the Loan Documents, including without limitation, Section 4.1(a) of the Deed of Trust, Borrower’s failure to pay the Indebtedness constitutes an Event of Default (as defined in the Deed of Trust, and hereinafter referred to as an “**Event of Default**”). Accordingly, the Lender hereby demands immediate payment of the Indebtedness in full. Please be advised that, in light of the Event of Default, the Note shall continue to accrue interest at a default rate of five percent (5%) in excess of the non-default interest rate payable under the Note. As of the date hereof, the current balance of the Indebtedness is as follows:

Principal Balance	\$2,779,961.00
Plus Current Interest:	\$20,985.82
Plus Default Interest:	\$23,166.34
Plus Late Fees:	\$739.23
Plus Legal to Date:	\$800.00
Other:	\$50.00

**Grand Total Due: \$2,825,702.39**

Please be advised that, given the Event of Default, the Lender has the right to pursue any or all rights or remedies pursuant to the Loan Documents, applicable law or otherwise and that the Lender hereby reserves all such rights.

Nothing contained in this letter shall be construed as a modification of any of the Loan Documents or as a waiver of any delinquency, breach or default under the Loan Documents under any

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circumstances. Likewise, no delay by Lender in the pursuit of Lender's rights and remedies pursuant to the Loan Documents, applicable law or otherwise shall constitute a waiver of any such rights or remedies under any circumstances. The Lender expressly reserves the right to pursue any and all of rights and remedies with respect to any existing delinquencies, breaches or defaults or with respect to any future delinquencies, breaches or defaults, as provided by the Loan Documents and applicable law.

Sincerely,



Roger N. Simon, Esq.

cc: Matthew Shkor  
c/o Potomac Construction Group  
1734 20th Street, N.W.,  
Washington DC, 20009  
Attn: Matthew Shkor

Via Overnight Courier

Reed P. Sexter, Esq.  
RPS Law Partners PLLC  
1100 15th Street, N.W., Fourth Floor  
Washington, D.C. 20005

Via Overnight Courier

Misha Panyutin  
Vice President  
CAPITAL BANK, N.A.  
2275 Research Blvd, Suite 600  
Rockville, MD 20850

Via Overnight Courier

Jason Goozh  
BWF TRUST LLC  
350 Fortune Terrace, 2nd Floor  
Rockville, Maryland 20854

Via Overnight Courier

Demetris Voudouris, Esq.  
Law Office of D. Voudouris, PLLC  
1820 Michael Faraday Drive, Suite 21  
Reston, Virginia 20190

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